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UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF NEW YORK

	X
In re:	:
VICTORY MEMORIAL HOSPITAL, <u>et al.</u> ,	:
	Case Nos. 06-44387, 06-44388
	and 06-44389
Debtors.	:
	(Jointly Administered)
	X

NOTICE OF PROPOSED PRIVATE SALE

PLEASE TAKE NOTICE that on **June 17, 2009**, Victory Memorial Hospital(the “Debtor”), one of the above-captioned debtors and debtors in possession, filed its Motion for an Order Approving (i) Procedures for Future Sale of Certain Property, and (ii) Sale of Certain Property Free and Clear of All Liens, Claims, Interests and Encumbrances Pursuant to 11 U.S.C. §363 (the “Sale Motion”) with the United States Bankruptcy Court for the Eastern District of New York (the “Bankruptcy Court”).

PLEASE TAKE FURTHER NOTICE that pursuant to the hearing held on **July 22, 2009**, the Bankruptcy Court entered an order approving the proposed sale procedures for sale of the Debtor’s assets with a total purchase price not exceeding \$25,000 on August 19, 2009 (the “Sale Procedures Order”).¹

¹ Any party in interest wishing to receive a complete set of the Sale Motion and Sale Procedures Order may do so free of charge upon request to Debtor’s counsel, DLA Piper LLP (US), 1251 Avenue of the Americas, New York, NY 10020 Attn: Jeremy R. Johnson, or by accessing same at the Debtor’s website: www.donlinrecano.com/cases/caseinfo.aspx?cl=vmh.

PLEASE TAKE FURTHER NOTICE that, as indicated on the attached Schedule 1, the Debtor has received an offer from Richmond University Medical Center (the “Buyer”) for the purchase of certain of the Debtor’s remaining assets (the “Assets”) for an aggregate purchase price of \$14,359.90 (“Purchase Price”), with consummation of the proposed sale (the “Proposed Sale”) to occur upon entry of an order of the Bankruptcy Court approving the Proposed Sale, provided, however, such consummation shall occur no earlier than **November 8, 2009**.

PLEASE TAKE FURTHER NOTICE that, in order to facilitate the Debtor closing on an unrelated transaction and consummation of the Debtor’s Second Amended Plan of Reorganization, the Buyer has or will take possession of the Assets prior to the Bankruptcy Court’s approval of the Proposed Sale, provided, however, that in the event that the Bankruptcy Court does not approve the Proposed Sale within forty-five (45) days of the Sale Hearing Date (as defined below), if any, the Debtor, upon the return of the Assets, shall reimburse Buyer for any reasonable fees, costs or expenses incurred in relation to transportation, possession or storage of the Assets, including, but not limited to, any costs associated with the return of the Assets to the Debtor.

PLEASE TAKE FURTHER NOTICE that any objection to the Proposed Sale must be:

- (a) in writing, (b) comply with the Federal Rules of Bankruptcy Procedure and the Local Rules,
- (c) be filed with the Clerk of the Untied States Bankruptcy Court for the Easter District of New York, on or before **October 29, 2009** (the “Objection Deadline”), and (d) be served so as to be received no later than 4:00 p.m. (Prevailing Eastern Time) on the same day, upon (i) counsel for the Debtor, DLA Piper LLP (US), 1251 Avenue of the Americas, New York, NY 10020, Attn: Timothy W. Walsh; (ii) counsel for the Committee, Alston & Bird, LLP, 90 Park Avenue, New

York, NY 10016, Attn: Martin G. Bunin and Craig E. Freeman; and (iii) the Office of the United States Trustee (the “Notice Parties”).

PLEASE TAKE FURTHER NOTICE that if no objections or competing offers are received by the Deadline, the Bankruptcy Court may enter the sale order (the “Sale Order”) attached hereto as Schedule 2 without any further deliberation.

PLEASE TAKE FURTHER NOTICE that if any objection to the Proposed Sale is received by the Objection Deadline, a hearing (the “Sale Hearing”) with respect to the contemplated transaction shall take place on the earliest available omnibus hearing date (the “Sale Hearing Date”) at the Bankruptcy Court, provided, however, that the Sale Hearing Date shall not occur before the date which is fifteen (15) days from the date of such objection.

PLEASE TAKE FURTHER NOTICE that failure of any party who has objected to the Proposed Sale to appear at the ale Hearing may result in the entry of the Sale Order by default.

If you seek to object to the sale of the Assets, you must comply with the terms for making such objections as set forth above. Such objections must be filed with the Bankruptcy Court and served on the Notice Parties. If any party fails to timely file and serve an objection in accordance with this notice and the Sale Procedures Order, the Bankruptcy Court may disregard such objection.

Dated: October 19, 2009
New York, New York

DLA PIPER LLP (US)

By: /s/ Timothy W. Walsh
Timothy W. Walsh
1251 Avenue of the Americas
New York, New York 10020
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Attorneys for Debtor and Debtor in Possession

Schedule 1

Item	Amount	Unit Price	Total Due
Hoyer Lift	3	\$50.00	\$150.00
Hoyer Bariatric Lift (2 Covers)	1	\$75.00	\$75.00
Datascope Passport Monitor	3	\$100.00	\$300.00
BP Manual Machine	1	\$6.20	\$6.20
Shower Chairs	2	\$22.65	\$45.30
Pulse Oximeter	6	\$150.00	\$900.00
Privacy Screen	1	\$15.00	\$15.00
Gerry Chairs with Trays	2	\$42.50	\$85.00
Overbed Tray	1	\$16.25	\$16.25
Assorted Chairs	9	\$21.00	\$189.00
Trapeze & Frame	1	\$10.00	\$10.00
Chart Racks	2	\$15.00	\$30.00
Shower Chair	1	\$22.65	\$22.65
Transport Stretcher	2	\$118.00	\$236.00
Bili Lights	5	\$65.00	\$325.00
Air Shield Warmers	7	\$250.00	\$1,750.00
Cozy Cot Warmers	2	\$250.00	\$500.00
Stretchers	2	\$118.00	\$236.00
Large Arm Chairs	2	\$22.50	\$45.00
Small Arm Chairs	1	\$22.50	\$22.50
Over bed tables	9	\$13.75	\$123.75
Bedside Table	1	\$18.75	\$18.75
Freestanding Infant warmer (Hilron) No Bed	2	\$250.00	\$500.00
Beds	35	\$200.00	\$7,000.00
Large Instrument Tables	2	\$17.50	\$35.00
OR Stool	3	\$6.00	\$18.00
Foot Stool (large)	2	\$25.00	\$50.00
Round Table	1	\$30.00	\$30.00
Privacy Screen	2	\$15.00	\$30.00
Isolet	3	\$125.00	\$375.00
Rocking Chair	1	\$20.00	\$20.00
Infant Scale--- Manual	2	\$5.00	\$10.00
Rolling Lamp	1	\$7.50	\$7.50
Infant Scale---Electric Digital	1	\$10.00	\$10.00
Fracture Table	1	\$1,000.00	\$1,000.00
Small Metal Tray on Stand	2	\$13.75	\$27.50
Metal Rolling Cabinet	1	\$37.50	\$37.50
Kick Buckets with Wheels	9	\$12.00	\$108.00
TOTAL			\$14,359.90

Schedule 2

Proposed Sale Order

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF NEW YORK

In re:	:	X
VICTORY MEMORIAL HOSPITAL, <u>et al.</u> ,	:	Case Nos. 06-44387, 06-44388
	:	and 06-44389
Debtors.	:	(Jointly Administered)
	X	

ORDER APPROVING SALE OF ASSETS OUTSIDE THE ORDINARY COURSE OF BUSINESS, FREE AND CLEAR OF LIENS AND OTHER CLAIMS

Upon consideration of the Motion for an Order Approving (i) Procedures for Future Sale of Certain Property, and (ii) Sale of Certain Property Free and Clear of All Liens, Claims, Interests and Encumbrances Pursuant to 11 U.S.C. §363 (the “Motion”)¹ filed by Victory Memorial Hospital (the “Debtor”); and this Court having entered an order dated August 19, 2009 (the “Sale Procedures Order”); the Court having considered the submissions and arguments of counsel and the files and records herein, and being now fully advised of the premises, finds as follows:

1. This Court has jurisdiction over the Motion pursuant to 28 U.S.C. Sections 157(b)(1) and 157(b)(2)(A), (N), and (O), and 11 U.S.C. Section 363. Venue is appropriate in this Court.
2. Notice given in connection with the sale of the assets is adequate and complies with the Sale Procedures Order and all applicable laws and rules, including without limitation, 11 U.S.C. Section 363 and Bankruptcy Rule 6004(a).

¹ All capitalized terms used but not otherwise defined shall have the meanings ascribed to them in the Motion.

3. The Motion proposes to sell certain property to Richmond University Medical Center ("Buyer"), as described on the attached Exhibit A. The property proposed to be sold under the Motion and this Order are the "Assets" as that term is defined in the Motion.

4. Applicable nonbankruptcy law permits the sale of the Assets contemplated hereby.

5. Each person or party holding an interest in any of the Assets has either expressly consented to the sale, are deemed to have consented to the sale, or can be compelled to accept a money satisfaction of its interest in any of the Assets in an amount less than the secured amount of its claim.

6. Buyer is purchasing the Assets in good faith, and the provisions of 11 U.S.C. Section 363(m) apply to the sale.

7. The proposed sale is in the best interests of the estate.

8. All objections to the sale have either been withdrawn or are hereby overruled.

IT IS THEREFORE ORDERED:

A. That the Debtor is hereby authorized and directed to sell the Assets to the Buyer for a total purchase price of \$14,359.90 and to execute all necessary documents and perform all necessary activities in order to effect the sale.

B. That the Assets are sold free and clear of all interests, including the liens and claims of all other parties, in such Assets, which interests shall attach to the proceeds of the sale when received by the Debtor in order of priority.

C. That the reversal or modification on appeal of this Order shall not affect the validity of the sale authorized hereby.

Dated: [] [], 2009
Brooklyn, New York

HONORABLE CARLA E. CRAIG
CHIEF U.S. BANKRUPTCY JUDGE

Exhibit A

<u>Item</u>	<u>Amount</u>	<u>Unit Price</u>	<u>Total Due</u>
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